

**CARING TO LOVE MINISTRIES, INC.**

**FINANCIAL STATEMENTS**

**For the Years Ended  
December 31, 2011 and 2010**

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## **OMB Circular A-133 Compliance and Government Auditing Standards Reports**

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Caring to Love Ministries, Inc.  
Baton Rouge, Louisiana

We have audited the accompanying Statement of Financial Position of Caring to Love Ministries, Inc. (a nonprofit organization) (the "Organization") as of December 31, 2011 and the related Statements of Activities, Functional Expenses, and Cash Flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements as of December 31, 2010 were audited by other auditors whose report dated April 20, 2011 expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 2011 financial statements referred to above present fairly, in all material respects, the financial position of Caring to Love Ministries, Inc. as of December 31, 2011, and the changes in its net assets and the cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 5 to the financial statements, the Organization primarily relies on a government grant. As of the date of this report, it is uncertain that the grant will be renewed for the year 2012- 2013. The ultimate outcome of whether the Organization will receive the grant cannot presently be determined, but management is of the opinion that the Organization will renew the grant. Due to uncertainties, it is at least reasonably possible that management's view of the outcome could change in the near term.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 22, 2012 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That

report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Organization taken as a whole. The accompanying Schedule of Expenditures of Federal Awards for the year ended December 31, 2011 on page 18 is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The Schedule of Federal Expenditures of Federal Awards has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Carr, Riggs & Ingram, LLC*

May 22, 2012

## FINANCIAL STATEMENTS

**CARING TO LOVE MINISTRIES, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**December 31, 2011 and 2010**

ASSETS

	<u>2011</u>	<u>2010</u>
Current Assets		
Cash and cash equivalents	\$ 325,479	\$ 250,613
Grants receivable	73,577	111,727
Prepaid expenses	<u>4,777</u>	<u>6,593</u>
Total Current Assets	<u>403,833</u>	<u>368,933</u>
Property and equipment, net	<u>303,297</u>	<u>302,726</u>
Total Assets	<u><u>\$ 707,130</u></u>	<u><u>\$ 671,659</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable	\$ 217,670	\$ 99,931
Accrued expenses	<u>11,992</u>	<u>13,976</u>
Total Current Liabilities	<u>229,662</u>	<u>113,907</u>
Net Assets		
Unrestricted	<u>477,468</u>	<u>557,752</u>
Total Net Assets	<u>477,468</u>	<u>557,752</u>
Total Liabilities and Net Assets	<u><u>\$ 707,130</u></u>	<u><u>\$ 671,659</u></u>

See accompanying notes to financial statements.

**CARING TO LOVE MINISTRIES, INC.**  
**STATEMENTS OF ACTIVITIES**  
**For the Years Ended December 31, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
Unrestricted Revenues and Support:		
Grant income	\$ 1,409,105	\$ 1,548,436
Contributions	146,614	152,594
Special events	104,286	186,512
Interest income	61	242
Loss on disposal of assets	-	(2,100)
Other revenue	9,287	18,110
Total Unrestricted Revenues and Support	<u>1,669,353</u>	<u>1,903,794</u>
Expenses:		
Program Services	1,231,233	1,216,186
Supporting Services	<u>518,404</u>	<u>549,185</u>
Total Expenses	<u>1,749,637</u>	<u>1,765,371</u>
 Change in Net Assets	 <u>(80,284)</u>	 <u>138,423</u>
Net Assets, Beginning of Year	<u>557,752</u>	<u>419,329</u>
Net Assets, End of Year	<u><u>\$ 477,468</u></u>	<u><u>\$ 557,752</u></u>

See accompanying notes to financial statements.

**CARING TO LOVE MINISTRIES, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended December 31, 2011**

	Program Services		Supporting Services		Total Expenses
	FEMA and Life Choice	Other	Management and General	Fundraising	
Salaries	\$ 186,968	\$ 108,710	\$ -	\$ -	\$ 295,678
Payroll taxes	8,629	7,538	-	-	16,167
Total Salaries and Payroll Taxes	195,597	116,248	-	-	311,845
Program services	694,024	-	-	-	694,024
Advertising	152,243	17,077	-	-	169,320
Contract labor	102,175	35,367	-	-	137,542
Telephone	3,167	18,174	30,267	2,365	53,973
Executive Director/President	-	50,000	-	-	50,000
Benevolence	-	25,952	23,249	-	49,201
Printing	20,191	18,448	-	-	38,639
Special events	-	-	-	35,540	35,540
Travel	17,029	8,653	-	-	25,682
Supplies	1,233	16,334	-	-	17,567
Employee benefits	12,517	4,217	-	-	16,734
Miscellaneous	1,620	14,944	-	-	16,564
Insurance	6,990	9,784	-	-	16,774
Maintenance	-	13,387	-	-	13,387
Legal	-	13,317	-	-	13,317
Accounting	9,500	-	-	-	9,500
Occupancy	-	9,945	-	-	9,945
Supplies/Client	9,094	-	-	-	9,094
Education	5,260	2,339	-	-	7,599
Postage	387	6,092	-	-	6,479
Auto	-	-	5,079	-	5,079
Donations	-	-	2,415	-	2,415
Bank charges	-	-	3,014	-	3,014
Licenses and fees	-	663	853	-	1,516
Conferences	-	1,134	-	-	1,134
FEMA expenses	206	-	-	-	206
Interest expense	-	-	127	-	127
Total Expenses Before Depreciation	\$ 1,231,233	\$ 382,075	\$ 65,004	\$ 37,905	\$ 1,716,217
Depreciation	-	33,420	-	-	33,420
Total Expenses	\$ 1,231,233	\$ 415,495	\$ 65,004	\$ 37,905	\$ 1,749,637
Percentage of Total Expenses	70%	24%	4%	2%	100%

See accompanying notes to financial statements.



**CARING TO LOVE MINISTRIES, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended December 31, 2010**

	Program Services		Supporting Services		Total Expenses
	FEMA and Life Choice	Other	Management and General	Fundraising	
Salaries	\$ 186,869	\$ 102,620	\$ 22,391	\$ -	\$ 311,880
Payroll taxes	11,029	5,295	1,236	-	17,560
Total Salaries and Payroll Taxes	197,898	107,915	23,627	-	329,440
Program services	677,890	-	-	-	677,890
Advertising	142,897	14,478	2,689	-	160,064
Contract labor	98,210	17,799	7,113	-	123,122
Special events	-	-	56	84,240	84,296
Benevolence	-	51,986	8,595	-	60,581
Executive Director/President	-	58,500	-	-	58,500
Printing	28,584	5,956	847	-	35,387
Travel	16,697	10,036	2,770	-	29,503
Insurance	11,144	2,563	10,689	-	24,396
Supplies	7,953	10,521	3,220	-	21,694
Telephone	2,000	15,242	359	-	17,601
Education	7,039	6,545	-	-	13,584
Maintenance	-	6,502	6,027	-	12,529
Miscellaneous	900	7,470	4,077	-	12,447
Donations	-	-	11,375	-	11,375
Occupancy	-	7,589	3,012	-	10,601
Postage	2,372	5,429	1,303	-	9,104
Accounting	8,500	-	-	-	8,500
Employee benefits	4,913	1,598	1,096	-	7,607
Supplies/Client	6,199	-	-	-	6,199
Bank charges	-	-	3,569	-	3,569
FEMA expenses	2,990	-	-	-	2,990
Legal	-	2,293	-	-	2,293
Licenses and fees	-	904	524	-	1,428
Conferences	-	491	233	-	724
Auto	-	530	181	-	711
Interest expense	-	-	83	-	83
Total Expenses Before Depreciation	\$ 1,216,186	\$ 334,347	\$ 91,445	\$ 84,240	\$ 1,726,218
Depreciation	-	39,153	-	-	39,153
Total Expenses	\$ 1,216,186	\$ 373,500	\$ 91,445	\$ 84,240	\$ 1,765,371
Percentage of Total Expenses	69%	21%	5%	5%	100%

See accompanying notes to financial statements.

**CARING TO LOVE MINISTRIES, INC.**  
**STATEMENTS OF CASH FLOWS**  
**For the Years Ended December 31, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (80,284)	\$ 138,423
Depreciation expense	33,420	39,153
Adjustments to reconcile the change in net assets to net cash provided by operating activities:		
Loss on disposal of equipment	-	2,100
Contribution of equipment	-	(30,000)
Decrease (Increase) in operating assets:		
Grants receivable	38,150	22,412
Prepaid expenses	1,816	(274)
(Decrease) Increase in operating liabilities:		
Accounts payable	117,739	(66,311)
Accrued expenses	(1,984)	3,323
	<u>108,857</u>	<u>108,826</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of equipment	-	8,800
Purchase of equipment and building improvements	(33,991)	(47,055)
	<u>(33,991)</u>	<u>(38,255)</u>
NET CASH USED IN INVESTING ACTIVITIES		
NET INCREASE IN CASH AND CASH EQUIVALENTS	74,866	70,571
CASH AND CASH EQUIVALENTS, beginning of year	<u>250,613</u>	<u>180,042</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 325,479</u>	<u>\$ 250,613</u>
SUPPLEMENTAL DATA:		
Cash paid for interest	<u>\$ 127</u>	<u>\$ 83</u>

See accompanying notes to financial statements.

**CARING TO LOVE MINISTRIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011 AND 2010**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization

Caring to Love Ministries, Inc. (a nonprofit organization) (the "Organization") was established in 1983 and is a 501(c)(3) non-profit, non-discriminatory organization with a voluntary Board of Directors. The Organization originated to assist and educate teens in various life-changing issues. This assistance is practical in nature - adult women helping teenage women; to extend a loving hand to teens, offering them real hope out of unplanned pregnancy, chemical dependency and poverty.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Financial statement presentation follows the reporting requirements of the *Not-For-Profit Entities* Topic of FASB ASC (FASB ASC 958), which establishes external financial reporting for not-for profit organizations that include three basic financial statement classifications of resources into three separate classes of net assets, as follows:

- Unrestricted – Net assets which are free of donor-imposed restrictions; all revenues, expenses, gains, and losses that are not changes in permanently or temporarily restricted net assets.
- Temporarily Restricted - Net assets whose use by the Organization is limited by donor-imposed stipulations that either expire by the passage of time or that can be fulfilled and removed by actions of the Organization pursuant to such situations.
- Permanently Restricted - Net assets whose use by the Organization is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled and removed by the actions of the Organization.

The classification of net assets into three separate groupings described above is based on criteria established by the Financial Accounting Standards Board, which are not necessarily consistent with regulations of the Internal Revenue Service concerning restrictions on donations.

Donated Services

No amounts have been reflected in the financial statements for donated services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific programs and assignment.

**CARING TO LOVE MINISTRIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2011 AND 2010**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Contributions

In accordance with the *Accounting for Contributions Received and Contributions Made* Topic of FASB ASC (FASB ASC 958), contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. If donor restrictions are met in the same accounting period then assets are listed as unrestricted.

Other Revenue

The Organization receives other revenue from miscellaneous events and presentations that are held throughout the year. There are no restrictions on this income and is disclosed as other revenue under unrestricted revenue in the financial statements.

Functional Allocation of Expense

The costs of providing the Organization's programs and services have been summarized on a functional basis in the Statements of Activities and in the Statements of Functional Expenses. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Financial Accounting Standards Board ("FASB") issued FASB Interpretation No. 48 (FIN48), *Accounting for Uncertainty in Income Taxes*, which clarifies the accounting for income taxes recognized in the financial statements in accordance with Statements of Financial Accounting Standards ("SFAS 109"), *Accounting for Income Taxes* (FASB Accounting Standards Codification (ASC 740, Income Taxes)). FIN 48 provides that a tax benefit from an uncertain tax position may be recognized when it is more-likely-than-not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits.

The Organization's Form 990, *Return of Organization Exempt from Income Tax*, for the years ending 2008, 2009, and 2010 are subject to examination by the IRS, generally for 3 years after they were filed.

**CARING TO LOVE MINISTRIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2011 AND 2010**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Public Support and Revenue

The Organization receives its support primarily from the State Department of Social Services.

Irrevocable promises to give and outright contributions are recorded as revenue on the accrual basis as they are received, and allowances are provided for promises to give estimated to be uncollectible. Promises to give and contributions are principally received from corporate, foundation, and individual donors around the United States.

Promises to give and contributions are considered available for unrestricted use unless specifically restricted by donors. Irrevocable promises to give which relate to a subsequent year are recorded as receivables and temporarily restricted net assets in the year the commitment is received. Contributions whose donor restrictions are met in the same reporting period are reported as unrestricted support.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. If the expenses related to temporarily restricted revenues occur in the same year the revenues are received, these revenues are recorded as unrestricted.

Cash and Cash Equivalents

For the purposes of the Statements of Cash Flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Property and Equipment

The purchase of property and equipment is recorded at cost. It is the Organization's policy to capitalize expenditures for these items in excess of \$1,000. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Property and equipment are depreciated using the straight-line method over their estimated useful lives of 5 to 30 years.

**CARING TO LOVE MINISTRIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2011 AND 2010**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Generally, when items of property are retired or disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in the Statements of Activities. Expenditures for repairs and maintenance are charged to expense as incurred.

Advertising

Advertising costs are expensed as incurred.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

Subsequent Events

The Organization has evaluated subsequent events through May 22, 2012, which is the date the financial statements were available to be issued.

**NOTE 2 - GRANTS RECEIVABLE**

Grants receivable at December 31, 2011 and 2010 are principally comprised of grants receivable from the State of Louisiana.

**NOTE 3 - PROPERTY AND EQUIPMENT**

The costs and related accumulated depreciation of property and equipment consisted of the following at December 31, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Vehicle	\$ 37,299	\$ 33,359
Buildings and improvements	377,052	374,049
Equipment	114,725	87,677
Furniture and fixtures	<u>8,626</u>	<u>8,626</u>
	537,702	503,711
Less accumulated depreciation	<u>(234,405)</u>	<u>(200,985)</u>
Total property & equipment, net	<u>\$ 303,297</u>	<u>\$ 302,726</u>

**CARING TO LOVE MINISTRIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2011 AND 2010**

**NOTE 3 - PROPERTY AND EQUIPMENT (CONTINUED)**

Depreciation expense was \$33,420 and \$39,153 for the years ended December 31, 2011 and 2010, respectively.

**NOTE 4 - LEASE COMMITMENT**

On March 16, 1992, the Organization entered into a ninety-nine (99) year land lease. The rent to be paid by the Organization is \$100 per month. Rent expense is included in occupancy expense and totaled \$1,200 for each of the years ended December 31, 2011 and 2010.

The future minimum lease payments are as follows:

December 31,	
2012	\$ 1,200
2013	1,200
2014	1,200
2015	1,200
2016	1,200
Thereafter	89,900
Total	<u>\$ 95,900</u>

**NOTE 5 - CONCENTRATION OF GRANT INCOME**

The Organization receives the majority of its revenues from funds provided through various federal, state and private grants. During each of the years ending December 31, 2011 and 2010, approximately 85% and 81% of revenues, respectively, was from the Department of Social Services, Department of Children and Family Services, TANF grant. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal, state, and/or local level the amount of funds the Organization receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Organization will receive in the future. However, due to uncertainties it is at least reasonably possible that management's view of the outcome could change.

**NOTE 6 - CONTINGENCIES**

The Organization receives a portion of its revenues from government grants and contracts, all of which are subject to audit by the government. The ultimate determination of amounts received under these programs generally is based upon allowable costs reported to and are subject to audit by the government. Until such audits, if any, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits.



**CARING TO LOVE MINISTRIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2011 AND 2010**

**NOTE 7 - RISK MANAGEMENT**

The Organization is exposed to various risks of loss related to torts; theft of, damage of, and destruction of assets; errors and omissions; and natural disasters for which the organization carries commercial insurance. There have been no significant reductions in coverage from prior years and settlements have not exceeded coverage in the past three years.

**NOTE 8 – BOARD OF DIRECTORS COMPENSATION**

The Board of Directors serves and directs the Organization on a voluntary basis. The Board does not receive compensation.

**NOTE 9 – RELATED PARTY TRANSACTIONS**

The Organization received donations totaling \$23,077 and \$1,800 from Hope Group, Inc. (a non-profit organization) for the years ending December 31, 2011 and 2010, respectively. The Organization gave a donation \$20,500 and \$10,800 to Hope Group, Inc. for the years ending December 31, 2011 and 2010, respectively. The Organization's President/Executive Director is a Board Member of Hope Group, Inc.



**OMB CIRCULAR A-133 COMPLIANCE AND GOVERNMENT  
AUDITING STANDARDS REPORTS**

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING  
STANDARDS***

Board of Directors  
Caring to Love Ministries, Inc.  
Baton Rouge, Louisiana

We have audited the financial statements of Caring to Love Ministries, Inc. (a nonprofit organization) (the "Organization"), as of and for the year ended December 31, 2011, and have issued our report thereon dated May 22, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Organization's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Directors, the Legislative Auditor of the State of Louisiana, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document.

*Carr, Riggs & Ingram, LLC*

May 22, 2012

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT  
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND  
ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB  
CIRCULAR A-133**

Board of Directors  
Caring to Love Ministries, Inc.  
Baton Rouge, Louisiana

Compliance

We have audited Caring to Love Ministries, Inc. (a nonprofit organization) (the "Organization"), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011. The Organization's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Organization's management. Our responsibility is to express an opinion on the Organization's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Organization's compliance with those requirements.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011.

#### Internal Control over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Organization's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Directors, the Legislative Auditor of the State of Louisiana, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document.

*Carr, Riggs & Ingram, LLC*

May 22, 2012

**CARING TO LOVE MINISTRIES, INC**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year ended December 31, 2011**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-Through Grant Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Health and Human Services</u>			
Passed-Through State Department of Social Services			
Temporary Assistance for Needy Families (TANF)	93.558	635086	\$ 1,477,476
TOTAL U.S. DEPARTMENT OF HEALTH AND AND HUMAN SERVICES			<u>1,477,476</u>
<u>U.S. Department of Homeland Security</u>			
Passed-Through the State Department of Federal Emergency Management Agency			
Emergency Food and Shelter Program	97.024	361400-009	<u>896</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>896</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,478,372</u>

See accompanying note to the Schedule of Expenditures of Federal Awards.

**CARING TO LOVE MINISTRIES, INC.**  
**NOTE TO THE SCHEDULE OF EXPENDITURES OF**  
**FEDERAL AWARDS**  
**For the Year Ended December 31, 2011**

**NOTE A - BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Organization and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

**CARING TO LOVE MINISTRIES, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended December 31, 2011**

**A. SUMMARY OF THE AUDITOR'S RESULTS**

- The auditor's report expresses an unqualified opinion on the financial statements of Caring to Love Ministries, Inc. (a nonprofit organization) (the "Organization").
- No significant deficiencies in internal control over financial reporting are reported in the *Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the Organization are reported in the Independent Auditor's *Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No significant deficiencies relating to the audit of the major federal award programs are reported in the *Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133*.
- The auditor's report on compliance for the major federal award programs for the Organization expresses an unqualified opinion on all major federal programs.
- There were no findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.
- A management letter was not issued for the year ended December 31, 2011.
- The program tested as a major program for the year ended December 31, 2011 was:

Department of Health and Human Services -  
Temporary Assistance for Needy Families (CFDA #93.558)
- The threshold for distinguishing between Type A and Type B programs was \$300,000.
- The Organization was determined to be a low-risk auditee.



**CARING TO LOVE MINISTRIES, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**For the Year Ended December 31, 2011**

**B. FINDINGS RELATED TO THE FINANCIAL STATEMENTS**

There were no findings related to the financial statements for the year ended December 31, 2011.

**C. FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS**

There were no findings related to federal awards for the year ended December 31, 2011.

**CARING TO LOVE MINISTRIES, INC.**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND**  
**QUESTIONED COSTS**  
**For the Year Ended December 31, 2011**

**SECTION I - FINDINGS RELATED TO THE FINANCIAL STATEMENTS**

There were no findings related to the financial statement for the year ended December 31, 2010.

**SECTION II - FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR  
FEDERAL AWARD PROGRAMS**

There were no findings related to federal awards for the year ended December 31, 2010.

**SECTION III - MANAGEMENT LETTER**

There was no management letter for the year ended December 31, 2010.

**CARING TO LOVE MINISTRIES, INC.**  
**CORRECTIVE ACTION PLAN**  
**For the Year Ended December 31, 2011**

There were no findings for the year ended December 31, 2011; therefore, there is no corrective action plan from management.